

EXECUTIVE SECRETARIAT
ROUTING SLIP

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Remarks

Please handle as appropriate.

ER

Executive Secretary

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Date

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Mobil Oil Corporation

SUITE 620
1100 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036

November 25, 1985

The Honorable William J. Casey
Director of Central Intelligence
Central Intelligence Agency
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20505

Dear Mr. Casey:

Enclosed please find a copy of a press release issued this date by Rawleigh Warner, Jr., Chief Executive Officer, Mobil Oil Corporation, expressing strenuous opposition to the House Ways and Means Committee proposal to reform the Internal Revenue Code.

Sincerely,



Timothy A. Hanan

DCI
EXEC
REG

1-304

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Mobil news release

MOBIL OIL CORPORATION
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MOBIL CHAIRMAN HITS TAX CHANGES; SAYS "REFORM" CRIPPLES NEEDED INVESTMENT

NEW YORK, Nov. 25 -- "The House Ways and Means Committee proposal to increase business taxes by \$138 billion in the next five years would place an intolerable and potentially crippling burden on American business," Rawleigh Warner Jr., chairman of the Mobil Corporation, said today.

"It is especially disturbing," Mr. Warner said, "that the committee has voted to repeal the investment tax credit and to stretch out the time over which businesses may recover the cost of their assets and to penalize companies competing in international commerce. These changes take us right back to the era of the 1970s, when American productivity and the ability of America to compete in world markets were at their lowest. It is inconceivable that anybody would want to return to those days -- days of inflation, unemployment, and recession. Today's protectionist fervor is the result of the policies of those years."

Mr. Warner said that the 1981 tax bill, which encouraged capital formation for investment, helped spark the dramatic economic recovery that has ensued. "But now," he said, "the Ways and Means Committee seems intent on stripping American business of its ability to meet foreign competition and continue to grow at home."

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"Even the lower rates that were originally offered to make tax 'reform' palatable to the business community are proving a chimera," the Mobil chairman said. "There have been so many deals struck in the name of compromise that the rates will now have to be higher than anticipated in order to make the new tax law 'revenue-neutral'.

"It's a strange sort of neutrality and a strange sort of reform to create a bill with such a decided bias against American business. By increasing business taxes by \$138 billion the government will be denying business money that could go into upgrading and bolstering American companies so they can more effectively meet foreign competition, create jobs for American workers and narrow the huge trade deficits America is currently accruing.

"Instead, this money would be used to subsidize consumer spending. Ironically, it is likely that foreign producers will be the beneficiaries of this largesse. American industry could well lack the capital to compete with overseas companies for the new consumer demand. No one knows how many jobs would be lost because of this lost investment.

Mr. Warner also noted that by focusing so much attention and energy on this tax bill, the Congress appears to have been diverted from dealing with the nation's number one domestic problem -- the deficit.

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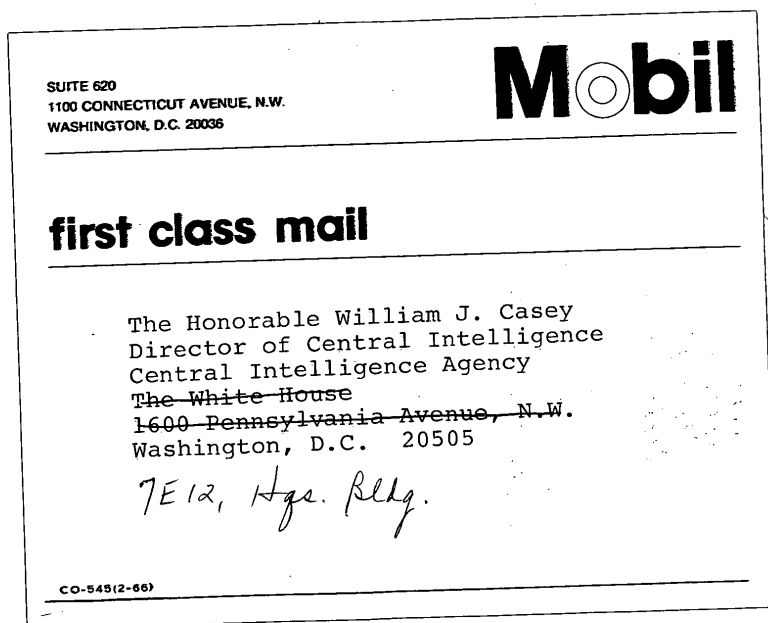
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